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SENATE BILL 443

47TH LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2005

INTRODUCED BY

Phil A. Griego

AN ACT

RELATING TO PUBLIC HOUSING; EXPANDING THE STATE INVESTMENT
COUNCIL SERVICES TO INCLUDE THE NEW MEXICO MORTGAGE FINANCE
AUTHORITY.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF NEW MEXICO:

Section 1. Section 6-8-7 NMSA 1978 (being Laws 1957,
Chapter 179, Section 7, as amended) is amended to read:

"6-8-7. POWERS AND DUTIES OF STATE INVESTMENT OFFICER--
INVESTMENT POLICY--INVESTMENT MANAGERS.--

A. Subject to the limitations, conditions and
restrictions contained in policy-making regulations or
resolutions adopted by the council and subject to prior
authorization by the council, the state investment officer may
make purchases, sales, exchanges, investments and reinvestments
of the assets of all funds administered under the supervision

underscored material = new
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1 of the council. The state investment officer shall see that
2 money invested is at all times handled in the best interests of
3 the state.

4 B. Securities or investments purchased or held may
5 be sold or exchanged for other securities and investments;
6 provided, however, that no sale or exchange shall be at a price
7 less than the going market at the time the securities or
8 investments are sold or exchanged.

9 C. In purchasing bonds, the state investment
10 officer shall require a certified or original written opinion
11 of a reputable bond attorney or the attorney general of the
12 state certifying the legality of the bonds to be purchased;
13 provided, however, this written opinion may be the approving
14 legal opinion ordinarily furnished with the bond issue.

15 D. The state investment officer shall formulate and
16 recommend to the council for approval investment regulations or
17 resolutions pertaining to the kind or nature of investments and
18 limitations, conditions and restrictions upon the methods,
19 practices or procedures for investment, reinvestment, purchase,
20 sale or exchange transactions that should govern the activities
21 of the investment office.

22 E. The council shall meet at least once each month,
23 and as often as exigencies may demand, to consult with the
24 state investment officer concerning the work of the investment
25 office. The council shall have access to all files and records

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1 of the investment office and shall require the state investment
2 officer to report on and provide information necessary to the
3 performance of council functions. The council may hire one or
4 more investment management firms to advise the council with
5 respect to the council's overall investment plan for the
6 investment of all funds managed by the investment office and
7 pay reasonable compensation for such advisory services from the
8 assets of the applicable funds, subject to budgeting and
9 appropriation by the legislature. The terms of any such
10 investment management services contract shall incorporate the
11 statutory requirements for investment of funds under the
12 council's jurisdiction.

13 F. For the purposes of the investment of all funds
14 managed by the investment office, the state investment officer
15 shall manage the funds in accordance with the prudent investor
16 rule set forth in the Uniform Prudent Investor Act. With the
17 approval of the council, the state investment officer may
18 employ investment management services to invest the funds and
19 may pay reasonable compensation for investment management
20 services from the assets of the applicable funds, subject to
21 budgeting and appropriation by the legislature.

22 G. For funds available for investment for more than
23 one year, the state investment officer may contract with any
24 state agency to provide investment advisory or investment
25 management services, separately or through a pooled investment

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1 fund, provided the state agency enters into a joint powers
2 agreement with the council and that state agency pays at least
3 the direct cost of such services. Notwithstanding any
4 statutory provision governing state agency investments, the
5 state investment officer may invest funds available from a
6 state agency pursuant to a joint powers agreement in any type
7 of investment permitted for the land grant permanent funds
8 under the prudent investor rule. In performing investment
9 services for a state agency, the council and the state
10 investment officer are exempt from the New Mexico Securities
11 Act of 1986. As used in this subsection, "state agency" means
12 any branch, agency, department, board, instrumentality,
13 institution or political subdivision of the state, the New
14 Mexico finance authority, the New Mexico mortgage finance
15 authority and any tax-exempt private endowment entity whose
16 sole beneficiary is a state agency. "